

From Inclusive Development to Forceful Eviction: Tamilnadu's Slum Policy under Neoliberal Agenda

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Abstract: *This study problematises the concepts of urbanisation and urban resettlement, focusing on Chennai. The conception of urbanisation and development underwent a paradigm shift after India adopted the 1991 economic reforms. The economic reforms shifted the state's role from service provider to facilitator, and this phenomenon is explored in this study. This study seeks to interpret the negotiation between the state and the market and its larger impact on state policy. By drawing on these discussions, this paper seeks to unveil a perspective on social justice aimed at inclusive policy frameworks in the future.*

Keywords: Dispossession, Dravidian Model, Ghettoisation, Housing, Slums, World Bank

INTRODUCTION

This study critically analyses the historical evolution of Tamil Nadu's slum policies, particularly in Chennai, and the influence of agencies such as the World Bank on this process. This study traces the shift from the Dravidian movement's initial focus to a new housing policy in the post-liberalisation era. I argue that the pre-liberalisation slum policies in Tamil Nadu effectively accommodated the marginalised communities in Chennai, as Paul Wiebe noted that the poor were not uprooted but rather provided with housing opportunities in their local areas. The paper is structured into four sections: first, it outlines the initial state policies and the changes after the DMK's rise to power; second, it discusses conflicts with funding agencies; third, it explores the unintended consequences of adopting a neoliberal housing framework; and finally, it assesses the current state of affairs and future prospects in slum development in Tamil Nadu.

Social Justice and Urbanisation: Acknowledgements

The idea of social justice is an important aspect of the Dravidian movement in Tamil Nadu. The lack of social justice in the neoliberal policy framework makes it more exclusionary. The initial policies of the Dravidian political parties in General and DMK were shaped more by the social justice ideas that were foundational to the Dravidian movement. David Harvey, in his work "Social Justice and the City," explains clearly what exactly social justice refers to. Harvey says,

"Social justice is a particular application of just principles to conflicts which arise out of the necessity for social cooperation in seeking individual advancement. Therefore, the principle of social justice applies to the division of benefits and the allocation of burdens arising from the process of undertaking joint labour. This principle also relates to the social and institutional arrangements associated with production and distribution activities. We are seeking, in short, as pacification of a just distribution justly arrived at" (Harvey, 1973, p.97).

This is exactly how the Dravidian government addressed the issue of housing for the marginalised sections of Chennai. It allocated funds from the state's own means to uplift these sections of society.

City Improvement Trust and Tamil Nadu Housing Board (TNHB)

The push for a dedicated 'improvement trust' was driven by rising tensions in the mid-19th and early 20th centuries to increase the welfare standards of the local population. With the advent of the 20th century, the Madras Presidency faced an acute housing shortage due to rapid

industrialisation and the resulting migration of the rural population to urban centres in search of work and education opportunities. The City Improvement Trust was formed to resolve the housing shortage crisis in Madras. The formal constitution of the City Improvement Trust in 1945 culminated a long process of professionalising urban development in Madras. By the time CIT was formed in Madras, there were already successful City Improvement Trusts in Bombay in 1898 and Calcutta in 1912. There was a strong emphasis on a quasi-independent body dedicated solely to urban “improvement”, which led to the formation of the CIT. The legal framework of the CIT evolved through two primary enactments: the Madras City Improvement Trust Act 16 of 1945 and Act 37 of 1950. The scope of CIT was also limited, ranging from the development of new residential layouts with open spaces and parks to the rehabilitation of displaced populations in the area. It developed residential colonies from 1946 to 1961, and the CIT colonies of Chennai became an important landmark in the city. Apart from housing schemes, it also included amenities such as community halls, markets, and parks. Gandhinagar near Adyar, Nandanam, CIT Nagar of Saidapet, Trustpuram, Foreshore Estate, and Shenoy Nagar are some of the prominent areas developed by CIT.

Tamil Nadu, as well as Chennai city, was growing much faster in the 1960's, and CIT could not efficiently meet the growing demand in the state and the city. Hence, the Tamil Nadu Housing Board (TNHB) replaced the CIT to meet the demands of the entire state. The TNHB was established as a statutory body by the enactment of the Tamil Nadu Housing Board Act of 1961. The TNHB was established primarily to look after public housing activities in the state. The state Government's funding and other borrowings enabled the TNHB to carry out its activities. The CIT was dissolved, and its assets, liabilities, and employees were transferred to the new organisation formed in its place, the Tamil Nadu Housing Board (TNHB). However, the TNHB built on the CIT's foundation to execute iconic projects such as Anna Nagar, Besant Nagar, and Ashok Nagar through the Trust's “neighborhood scheme” model.

The City Improvement Trust and the Tamil Nadu Housing Board had different roles from their inception. These institutions were thought to play a role that I would argue is largely related to the development of residential and construction of housing for the high-to-middle-income groups of Chennai city. Their focus was largely on constructing houses for government employees. The development of CIT Nagar(s), Foreshore Estate, and Shenoy Nagar by CIT, and the development of neighbourhoods like Arignar Anna Nagar, Kalaigarnar Karunanidhi Nagar, Ashok Nagar, Besant Nagar, JJ Nagar, and so on by the TNHB, are classic examples in this regard.

Tamil Nadu Slum Clearance Board (TNSCB):

The Slum Clearance Board of Tamil Nadu came into existence after the enactment of the Tamil Nadu Slum Areas (Improvement and Clearance) Act in 1971. The slum act was generally seen as an extension of the social justice politics that were put forth by Dravidian Self-Respect politics. The board undertook both in-situ redevelopment

and ex-situ development activities. However, in its initial days, many of its activities were confined to in-situ slum redevelopment. The government argued that the rationale behind the formation of the TNSCB was to undertake a more coordinated, comprehensive, and integrated step on an emergency footing to solve the issues faced by the urban poor in slums. The functioning of the board in its initial years was highly commendable, precisely because of its emphasis on social justice and the welfare of urban slum dwellers.

In Indian society, slums are viewed as dangerous and inconvenient for the larger population. The impoverished were viewed as a barrier to the advancement and improvement of society and were denied a place in civic life and urban culture, explicitly or implicitly (Gooptu, 2001). However, the board's functioning was markedly different from that of other initiatives undertaken in India. However, the Board ensured a decent civic life for urban slum dwellers through its policy initiatives. The board aggressively implemented in-situ slum development and tenement construction within the city.

The TNSCB was considered a pioneer of modern housing schemes, with piped water, sewerage systems, and access roads (Pugh, 1990). All these initiatives kept the interest of slum dwellers at the forefront. The state provided planning and finance considerations to the TNSCB and its tenement initiatives. Leaders of the ruling parties showed humanitarian concern for the impoverished (Wiebe, 1981). The shelter policy was completely different from that of the central and other state government policies. While it is argued that the Slum policy was used by Dravidian parties to extend their patronage networks, this is not entirely true. It is indeed true that the Tamil Nadu government's slum upgradation policy catered to the patronage networks of the Dravidian parties. However, the policy was largely shaped by the DMK's social justice commitment, which was in power at the time. Apart from instituting the TNSCB, the DMK also banned hand-pulled rickshaws, legalised self-respect marriages, and nationalised the transportation department to increase public access. Therefore, TNSCB must be seen alongside these developments in the state, which are aimed at furthering Social Justice.

The board's policy was heavily influenced by the ruling political parties, which also had a social justice approach to the slum question. The board adopted self-help housing and in situ slum upgrading and development. The state government began funding the board's initiatives through grants. However, this funding mechanism became financially unviable over the years, and the state government was forced to seek alternative funding for housing activities. However, acquiring non-state funds proved challenging, and the board's low rent rates led to poor recovery rates, ultimately hindering its operations. This prompted a reevaluation of the board's activities and increased reliance on institutions such as the World Bank. The impact of this on the board's housing policy is analysed in the next section.

Changes leading to a neo-liberal framework:

The liberalisation reforms embraced in 1991 must be viewed within the broader economic and political context that preceded them. Various attempts to liberalise the economy have proven futile due to conflicts between the

proposed policies and the state's functioning. However, the 1991 liberalisation reforms resolved this conflict and reduced the state's intervention in various activities, thereby aligning it with the global capitalist framework. According to Guha (2010), these reforms marked the state's withdrawal from employment generation and social services while increasing its role in facilitating global capital.

The Structural Adjustment Programs instituted by the World Bank and IMF in the late 1970s and the 1980s called for reduced government spending and privatisation of services, including housing. The 1988 report of the National Commission on Urbanization advocated a radical change in the state's role by reducing it to a facilitator in housing markets and privatising public services. The National Housing Policy (NHP), also introduced in 1988, significantly limited the government's role, making it a service provider for the poorest and a facilitator for other groups. These policy changes served an important purpose: preparing the ground for the significant reforms that were to follow in the name of Structural Adjustment Programs.

The World Bank and its role:

The World Bank's impact on the housing sector in the developing world, specifically in India, cannot be overstated. The bank's intervention in Tamil Nadu began as early as 1977, which brought a major change to the public housing sector, extending its influence to the rest of the country. The bank's strategy was transformed from the management of funds to speeding up projects, as well as designing large-scale housing projects with the application of the "Affordability - Cost Recovery - Replicability" theory (Pugh, 1990). The bank's intervention in Tamil Nadu was carried out by funding the TNSCB and TNHB under certain circumstances, which brought a change in the policies, focusing on sites and services rather than the redevelopment of slums. The major result was the creation of a new division within the Slum Clearance Board for direct interaction with the people, as well as fiscal responsibility.

The World Bank's funding policy for the TNSCB and TNHB was guided by its own terms, which led to significant policy changes. It shifted the policy from in situ slum redevelopment to site and service development, altered the roles of the TNHB and TNSCB, and placed emphasis on cost recovery while dismissing board suggestions as financially unviable. The loans, comprising MUDP-1, MUDP-2, and TNUDP, facilitated these policy changes through specific terms and conditions agreed upon between Tamil Nadu and the World Bank (WB). The World Bank also selected the MMDA as its expert committee to oversee housing activities in the city. The reliance on expert committees is part of a larger neo-liberal agenda to push the state away from these activities. Neoliberalism tends to favour governance by experts and elites. In the neo-liberal policy frameworks, a strong preference exists for governance by executive order and judicial decision rather than democratic and parliamentary decision-making (Harvey, 2005). This is exactly the reason for elevating the role of the MMDA and bringing it into housing activities by the state. The Madras Metropolitan Development Authority (MMDA), now the CMDA, was established in 1975 and took over urban planning in Chennai. The World Bank sought to enhance the MMDA's role in housing activities, as seen in the 1977 MUDP 1 agreement.

The World Bank aimed to demarcate the roles of the TNSCB and the TNHB. TNHB was assigned to manage the bank's Sites and Services program, while TNSCB focused solely on Slum Improvement activities. This separation of activities became a practice across all projects, including those not funded by the Bank. Another significant move by the bank was the creation of a community development team within the TNSCB to engage directly with residents (Raman, 2011). The bank encouraged the use of consultants for oversight and empowered its representatives to conduct audits and set strict financial management standards. The focus shifted from In-Situ Slum Improvement to Ex-Situ Slum Development, and the TNSCB's community development team helped persuade slum residents to accept the shift. After economic liberalisation, this policy was expanded, and the emphasis shifted to large tenement construction outside cities. The state's funding for the projects was drastically reduced, and the bank became dependent on the bank for its activities in the later period. These reforms allowed the TNSCB and TNHB to operate independently and align with World Bank initiatives.

The state's policy to address the slum question thus shifted from in-situ improvement to ex-situ development, leading to the construction of high-rise tenements outside the city with limited basic services. This policy change contributed to the ghettoisation of communities in the city's outskirts and marginalised the already marginalised population of the city. While the influence of one International Financial Institution is analysed in the foregoing arguments, it is important to recognise that multiple factors have contributed to these changes in India's economic structure.

Understanding the Impact of the Bank's Model on Displacement and Marginalization:

The whole idea of urbanisation, city extension, and city redevelopment has always been a class phenomenon aimed at stabilising the movement of surplus capital. Therefore, there is an intricate connection between capitalism and urbanisation. The perpetual need to find profitable terrains for surplus production and consumption is a hallmark of capitalist structures. The disposal of capital surplus is crucial for stabilising the capitalist economy. Urbanisation has played an active role in absorbing and reproducing surplus capital for capitalist classes world wide. This politics of capitalism shapes the urbanisation process and the expansion of cities. The World Bank's emphasis on ex-situ development programs rather than in-situ slum redevelopment also emanates from this logic of capital. The World Bank's agenda is to facilitate the expansion of capital into new spaces and promote greater capital accumulation through wider spatial expansion of the city. The important aspect of surplus absorption through urban transformation is that it entails "creative destruction," or urban reconfiguration. The impoverished, disadvantaged, and politically disenfranchised are disproportionately affected by this process (Harvey, 2008).

From this, it is evident that spatial boom and bust cycles are an intrinsic part of the capitalist urbanisation process, and this urbanisation cannot be seen as an isolated event, and it is part of the larger capitalist absorption and

accumulation process. The urbanisation process must be understood alongside dispossession. Urbanisation and dispossession work in tandem and play a crucial role in the absorption of capital surpluses. Harvey argues that “The planet as a building site collides with the *planet of slums*” (Harvey, 2008). Dispossession refers to the act of depriving someone of land, property, or other possessions.

The capitalist process creates recurring scenarios that lead to crises, and capitalism only delays these crises, which inevitably return later in the cycle. The housing sector has historically served as a stabiliser for the economy but has also contributed to ghetto formation. To create demand and absorb surplus capital, urban development shifts from established areas to new frontiers to disperse the accumulated capital (Harvey, 2008). The logic of capitalism is to spend more to extract more surplus, resorting to ‘creative destruction’ to utilise surplus capital. Housing and urbanisation projects are essential to this process. Urbanisation has played a key role in stabilising capitalist structures from the Industrial Revolution to the present.

This pattern of moving government housing projects to the suburbs and rural areas results in land speculation, benefiting private players and the propertied classes. In Tamil Nadu, housing sites in the post-liberalisation era have shifted to new parts of the city. Kannagi Nagar and Ezhil Nagar, which were developed in the early 2000’s, are built on wetlands on the outskirts of the city. New projects are moving away from the city in areas such as Gudapakkam, Semmenchery, and Perumbakkam. Navalur, and so on. To facilitate capital accumulation, the socio-economic trajectory of globalisation has been found to build and rebuild the geography of regions and countries, giving rise to distinct social and economic landscapes (Guha, 2010). This approach, linked to global neoliberal capitalism, highlights how globalisation reshapes socio-economic landscapes for capital accumulation. These processes force the urban poor into informal settlements in the city’s outskirts and convert them into ‘cheap labour’ in a speculative land market shaped by precarity.

Renaming and Futures:

Although there were serious shortcomings in the housing policies of the pre-reform period, they were still inclusive, a quality that has changed significantly in the post-reform era. As argued in the foregoing sections, funding from the World Bank, accompanied by specific conditions, influenced policy and shifted its focus from in-situ slum redevelopment to ex-situ slum development. This shift has led to the dispossession and ghettoisation of communities. The construction of high-rise tenements on the city’s outskirts, rather than the previously prioritized low-rise tenements, contributed to a “vicious cycle of poverty.”

The Tamil Nadu Slum Clearance Board (TNSCB) was renamed the Tamil Nadu Urban Habitat Development Board (TNUHDB) in September 2021. This change was made to eliminate the negative connotation associated with the term “slum”. Instead of merely ‘Slum Clearance’, the board now focuses on providing dignified housing and improved living conditions for marginalised sections. While the government’s decision to resolve the issue is commendable, the actual solution lies in ensuring “The right to the city”, not in embracing

neoliberal policy frameworks. David Harvey, in his work “The Right to the City,” argues that “The right to the city is far more than the individual liberty to access urban resources: it is a right to change ourselves by changing the city. Moreover, it is a common rather than an individual right, since this transformation inevitably depends on the exercise of collective power to reshape the processes of urbanisation. The freedom to make and remake our cities and ourselves is, I want to argue, one of the most precious yet most neglected of our human rights” (Harvey, 2008). In this paper, we have dealt with one such International Financial Institution, namely, the World Bank, in detail and explained how the neo-liberal policies it has brought in have changed the whole framework within which the housing question was recognised. The policy framework advocated by the World Bank, which slowly evolved over time, altered the very objective of the TNSCB for which it was instituted.” Right to the city” moves beyond mere slogans and does not refer to strengthening resident welfare associations or civic rights NGOs. It moves beyond that. The right to the city is a means by which the dispossessed can take back the control that they have long been denied. Our policy frameworks should be designed to work in this direction.

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